



(Billing Code 5001-06)

**DEPARTMENT OF DEFENSE**

**Defense Acquisition Regulations System**

**48 CFR Parts 212, 213, and 252**

**RIN 0750-AI40**

**Defense Federal Acquisition Regulation Supplement: Past  
Performance Information Retrieval System—Statistical Reporting  
(PPIRS-SR) (DFARS Case 2014-D015)**

**AGENCY:** Defense Acquisition Regulations System, Department of Defense (DoD).

**ACTION:** Proposed rule.

**SUMMARY:** DoD is proposing to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to require contracting officers to consider information in the Statistical Reporting module of the Past Performance Information Retrieval System when evaluating past performance of offerors under competitive solicitations for supplies using simplified acquisition procedures.

**DATES:** Comments on the proposed rule should be submitted in writing to the address shown below on or before **[Insert date 60 days after date of publication in the FEDERAL REGISTER]**, to be considered in the formation of the final rule.

**ADDRESSES:** Submit comments identified by DFARS Case 2014-D015, using any of the following methods:

o *Regulations.gov*: <http://www.regulations.gov>. Submit comments via the Federal eRulemaking portal by entering "DFARS Case 2014-D015" under the heading "Enter keyword or ID" and selecting "Search." Select the link "Submit a Comment" that corresponds with "DFARS Case 2014-D015." Follow the instructions provided at the "Submit a Comment" screen. Please include your name, company name (if any), and "DFARS Case 2014-D015" on your attached document.

o *E-mail*: [osd.dfars@mail.mil](mailto:osd.dfars@mail.mil). Include DFARS Case 2014-D015 in the subject line of the message.

o *Fax*: 571-372-6094.

o *Mail*: Defense Acquisition Regulations System, OUSD(AT&L)DPAP/DARS, Attn: Ms. Jennifer Hawes, Room 3B941, 3060 Defense Pentagon, Washington, DC 20301-3060.

Comments received generally will be posted without change to <http://www.regulations.gov>, including any personal information provided. To confirm receipt of your comment(s), please check [www.regulations.gov](http://www.regulations.gov), approximately two to three days after submission to verify posting (except allow 30 days for posting of comments submitted by mail).

**FOR FURTHER INFORMATION CONTACT:** Ms. Jennifer Hawes, telephone 571-372-6115.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

To fill the need for past performance data on lower dollar value contracts, DoD developed and deployed the Past Performance Information Retrieval System-Statistical Reporting (PPIRS-SR) module. This module of PPIRS collects quantifiable delivery and quality data from existing systems and uses that data to classify each supplier's performance by Federal supply class and product or service code. This objective data on past performance will assist contracting officers in making better-informed best value award decisions on small dollar value acquisitions for supplies, while also eliminating the burden of collecting subjective past performance information on contractors for smaller dollar value contracts.

## **II. Discussion and Analysis**

A new section DFARS 213.106-2 entitled "Evaluation of quotations or offers" is added as well as a new provision at DFARS 252.213-70XX, Notice to Prospective Suppliers on the Use of Past Performance Information Retrieval System-Statistical Reporting in Past Performance Evaluations. The prescription to use the new provision in competitive solicitations for supplies using FAR part 13 simplified acquisition procedures, including acquisitions valued at less than or equal to \$1 million under the authority at FAR subpart 13.5, is included at DFARS 213.106-2-70. The provision is also added to the list of provisions and

clauses that are applicable to the acquisition of commercial items at DFARS 212.301.

Instructions on the use of PPIRS-SR, for both Government and industry users, are available in the PPIRS-SR User's Manual provided in the references section of *www.PPIRS.gov*. As such, a link to the User's Manual is provided at DFARS 213.106-2(b)(i)(A) and in the new provision at DFARS 252.213-70XX.

### **III. Executive Orders 12866 and 13563**

Executive Orders (E.O.s) 12866 and 13563 direct agencies to assess all costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects, distributive impacts, and equity). E.O. 13563 emphasizes the importance of quantifying both costs and benefits, of reducing costs, of harmonizing rules, and of promoting flexibility. This is not a significant regulatory action and, therefore, was not subject to review under section 6(b) of E.O. 12866, Regulatory Planning and Review, dated September 30, 1993. This rule is not a major rule under 5 U.S.C. 804.

### **IV. Regulatory Flexibility Act**

DoD expects this proposed rule may have a significant economic impact on a substantial number of small entities within the

meaning of the Regulatory Flexibility Act 5 U.S.C. 601, *et seq.* Therefore, an initial regulatory flexibility analysis has been prepared and is summarized as follows:

This rule proposes to amend the Defense Federal Acquisition Regulation Supplement (DFARS) to require contracting officers to consider information available in the Statistical Reporting module of the Past Performance Information Retrieval System when evaluating the past performance of offerors under competitive solicitations for supplies using FAR part 13 simplified acquisition procedures, including acquisitions valued at less than or equal to \$1 million under the authority at FAR subpart 13.5.

The Past Performance Information Retrieval System-Statistical Reporting (PPIRS-SR) module collects quantifiable delivery and quality data from existing systems and uses that data to classify each supplier's performance by Federal supply class and product or service code. Contracting officers will use this objective data to make better-informed best value award decisions for supply contracts valued at less than or equal to \$1 million.

This rule will apply to small entities submitting quotations or offers on competitive solicitations for supplies issued using FAR part 13 simplified acquisition procedures, including acquisitions valued at less than or equal to \$1 million under

the authority of FAR subpart 13.5. According to a report generated in the Federal Procurement Data System-Next Generation, in fiscal year 2013, DoD made 15,258 new competitive awards for commercial supplies valued at less than or equal to \$1 million to 4,018 unique small businesses.

This rule creates no new reporting, recordkeeping, or other compliance requirements. PPIRS-SR generates past performance ratings based on objective delivery and quality data on current and recent contracts available from other systems.

The rule does not duplicate, overlap, or conflict with any other Federal rules and there are no known significant alternatives to the rule.

DoD invites comments from small business concerns and other interested parties on the expected impact of this rule on small entities.

DoD will also consider comments from small entities concerning the existing regulations in subparts affected by this rule in accordance with 5 U.S.C. 610. Interested parties must submit such comments separately and should cite 5 U.S.C. 610 (DFARS Case 2014-D015), in correspondence.

## **V. Paperwork Reduction Act**

The rule does not contain any information collection requirements that require the approval of the Office of

Management and Budget under the Paperwork Reduction Act (44 U.S.C. chapter 35).

**List of Subjects in 48 CFR Part 212, 213, and 252**

Government procurement.

**Manuel Quinones,**

*Editor, Defense Acquisition Regulations System.*

Therefore, 48 CFR parts 212, 213, and 252 are proposed to be amended as follows:

1. The authority citation for parts 212, 213, and 252 continues to read as follows:

**Authority:** 41 U.S.C. 1303 and 48 CFR chapter 1.

**PART 212—ACQUISITION OF COMMERCIAL ITEMS**

2. In section 212.301, redesignate paragraphs (f)(v) through (xvii) as paragraphs (f)(vi) through (xviii) and add a new paragraph (f)(v) to read as follows:

**212.301 Solicitation provisions and contract clauses for the acquisition of commercial items.**

(f) \* \* \*

(v) *Part 213—Simplified Acquisition Procedures.* Use the provision at 252.213-70XX, Notice to Prospective Suppliers on Use of Past Performance Information Retrieval System-Statistical Reporting in Past Performance Evaluations, in competitive solicitations for supplies when using FAR part 13 simplified

acquisition procedures, including those valued at less than or equal to \$1 million under the authority at FAR subpart 13.5, as prescribed in 213.106-2-70.

\* \* \* \* \*

#### **PART 213—SIMPLIFIED ACQUISITION PROCEDURES**

3. Add sections 213.106-2 and 213.106-2-70 to subpart 213.1 to read as follows:

##### **213.106-2 Evaluation of quotations or offers.**

(b)(i) For competitive solicitations for supplies using FAR part 13 simplified acquisition procedures, including acquisitions valued at less than or equal to \$1 million under the authority at FAR subpart 13.5, the contracting officer shall—

(A) Consider data available in the statistical reporting module of the Past Performance Information Retrieval System (PPIRS-SR) regarding the supplier's past performance history for the Federal supply class (FSC) and product or service code (PSC) of the supplies being purchased. Procedures for the use of PPIRS-SR in the evaluation of quotations or offers are provided in the PPIRS-SR User's Manual available under the references section of the PPIRS website at [www.ppirs.gov](http://www.ppirs.gov);

(B) Ensure the basis for award includes an evaluation of each supplier's past performance history in PPIRS-SR for the FSC and PSC of the supplies being purchased; and



(C) In the case of a supplier without a record of relevant past performance history in PPIRS-SR for the FSC or PSC of the supplies being purchased, the supplier may not be evaluated favorably or unfavorably for its past performance history.

**213.106-2-70 Solicitation provision.**

Use the provision at 252.213-70XX, Notice to Prospective Suppliers on the Use of Past Performance Information Retrieval System-Statistical Reporting in Past Performance Evaluations, in competitive solicitations for supplies when using FAR part 13 simplified acquisition procedures, including acquisitions valued at less than or equal to \$1 million under the authority at FAR subpart 13.5.

**PART 252—SOLICITATION PROVISIONS AND CONTRACT CLAUSES**

4. Add new section 252.213-70XX to read as follows:

**252.213-70XX Notice to Prospective Suppliers on Use of Past Performance Information Retrieval System-Statistical Reporting in Past Performance Evaluations.**

As prescribed in 213.106-2-70, use the following provision:

**NOTICE TO PROSPECTIVE SUPPLIERS ON USE OF PAST PERFORMANCE INFORMATION RETRIEVAL SYSTEM-STATISTICAL REPORTING IN PAST PERFORMANCE EVALUATIONS (DATE)**

(a) The Past Performance Information Retrieval System-Statistical Reporting (PPIRS-SR) application

(<http://www.ppirs.gov/>) will be used in the evaluation of

suppliers' past performance in accordance with DFARS 213.106-2(b)(i).

(b) PPIRS-SR collects quality and delivery data on previously awarded contracts and orders from existing Department of Defense reporting systems to classify each supplier's performance history by Federal supply class (FSC) and product or service code (PSC). The PPIRS-SR application provides the contracting officer quantifiable past performance information regarding a supplier's quality and delivery performance for the FSC and PSC of the supplies being purchased.

(c) The quality and delivery classifications identified for a supplier in PPIRS-SR will be used by the contracting officer to evaluate a supplier's past performance in conjunction with the supplier's references (if requested) and other provisions of this solicitation under the past performance evaluation factor. The Government reserves the right to award to the supplier(s) whose quotations(s) or offer(s) represent(s) the best value to the Government.

(d) PPIRS-SR classifications are generated monthly for each contractor and can be reviewed by following the access instructions in the PPIRS-SR User's Manual found at [https://www.ppirs.gov/ppirsfiles/pdf/PPIRS-SR\\_UserMan.pdf](https://www.ppirs.gov/ppirsfiles/pdf/PPIRS-SR_UserMan.pdf). Contractors are granted access to PPIRS-SR for their own classifications only. Suppliers are encouraged to review their own

classifications, the PPIRS-SR reporting procedures and classification methodology detailed in the PPIRS-SR User's Manual, and PPIRS-SR Evaluation Criteria available from the references at <http://www.ppirs.gov/ppirsfiles/reference.htm>. The method to challenge a rating generated by PPIRS-SR is provided in the User's Manual.

(End of provision)

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